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25 January 1952

TO : Career Service Committee

FROM : Working Group on Career Benefits

OGC HAS REVIEWED

SUBJECT: Health insurance benefits

1. In the recent report to the DCI concerning the progress of the Career Service Committee and its various working groups, there was included a tab relating to career benefits. The last item of that tab was entitled "Better Group Health Insurance". It was indicated that the matter was under study by the Government Employees Health Association.

2. It is the firm belief of this working group that in order to induce employees of CIA to become a part of the career development program (through signifying in writing their intent to regard employment with CIA as a career) there should be specific and tangible benefits to which CIA could point. It appears fundamental that in order to request something special and extra from employees CIA should offer something special and extra in return.

3. In our opinion experience has demonstrated that CIA employees as a group are better insurable risks in the field of medical care and hospitalization than the average group. The probable reasons for such favorable experience are careful physical examinations prior to employment, younger average age, higher average educational level, and medical benefits available under the Federal Employees Compensation Act and P. L. 110. Viewed solely in the light of an insurance proposition, experience to date would indicate that health insurance for CIA should be on a broader basis with respect to benefits available for comparable premium rates charged other groups.

4. In addition to actual insurance factors, there should be considered very seriously the question of whether in some manner CIA could assist or subsidize a health insurance program. A well thought out program of this nature would be a tangible benefit which CIA could "lay on the line" as an inducement for employees to enter CIA on a career basis.

5. It is our understanding that the Board of Directors of GEHA presently is studying insurance benefits and is seeking the advice of an experienced professional in the insurance field. We wish to avoid duplication of effort on its part and by this working group.

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Therefore, it is recommended that the deliberations of these two groups be fully coordinated. Our working group is available at any time for discussion and consultation on the subject. On an informal basis, this problem has been discussed both with Mr. Peel and with Mr. Meloon, who are Directors of GEHA.

6. It is our understanding that the Personnel Office is drafting a tentative agenda to be considered by the above-mentioned consultant. Having this in mind, this working group is preparing suggestions in the field of medical care and hospitalization. The suggestions will be made available for your consideration subsequent to our regular meeting on 31 January 1952.

7. It is further recommended that this memorandum be forwarded to the Board of Directors of GEHA with the concurrence and endorsement of the Career Service Committee.

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Assistant General Counsel

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